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for
Public Policy Research

News Release

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Study: Mille Lacs economy suffers as treaty regulations limit fishing and hunting rights for residents

(BOSTON -August 2, 2012) Since a 1999 Supreme Court ruling upholding the fishing harvest rights of the Mille Lacs Chippewa Band of Chippewa's, the Minnesota Department of Natural Resources has increased the band's allocation of fish on Lake Mille Lacs to over 142,000 pounds of fish. In response to the ensuing scarcity, the Minnesota DNR has imposed restrictions on residents not bound by the treaty. These regulations are stifling the local Mille Lacs economy, 14.7 percent which are dependent on industries related to hunting and fishing and leisure and hospitality..

A study from the Beacon Hill Institute in Boston finds that, as a result of the federal government allocation,

- personal income is lower by \$10.4 million, and \$1.5 million in the accommodation and food service industry in Mille Lacs;
- employment is lower by 97 jobs;
- labor income is lower by \$1.4 million;
- value-added is lower by \$2.8 million and total output is down by \$5.6 million; and
- The economic damage caused by the harvest treaty has reduced state and local tax collections by \$433, 000

The negative economic impact of the treaty harvest rights also affects tax collections for the state and local governments. Taxes levied on employee wages and salaries lose \$13,000 in revenue, while household taxes – namely personal income and property taxes— drop by \$62,000 and corporate income taxes and fees drop by \$18,000. State and local sales tax fall by \$389,000, by far the largest loss of revenue.

The institute used a variety of data sources and methodologies including the Bureau of Labor Statistics and Bureau of Economic Analysis as well as its own State and Metropolitan Area Competitiveness Index. It contrasted income and other factors with Cass Counties which served as a benchmark.

The Minnesota organization Proper Economic Resource Management (PERM) commissioned the Beacon Hill Institute at Suffolk University (BHI) to assess the standard of living for the Chippewa Band members relative to income levels commensurate with common measures of moderate living standards.